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8 **BEFORE THE**
9 **REGISTRAR OF CONTRACTORS**
10 **CONTRACTORS' STATE LICENSE BOARD**
11 **DEPARTMENT OF CONSUMER AFFAIRS**
12 **STATE OF CALIFORNIA**

13 In the Matter of the First Amended Accusation Against:

Case No. N-2009-238

14 **C G G J, INC., DBA CERTIFIED FIRE**
15 **RECONSTRUCTION**

16 **5360 South Watt Avenue**
17 **Sacramento, CA 95826**

18 **GREGORY LEE ZUCCOLOTTO, RMO/CEO/PRES**
19 **Disassociated 12/18/2009**

20 **CHRISTOPHER ARNOLD ACKER, Officer**
21 **Contractor's License No. 835408, B**

22 **and**

23 **CERTIFIED RESTORATION SERVICES**

24 **4368 Central Avenue**
25 **Riverside, CA 92506**

26 **GREGORY LEE ZUCCOLOTTO, SOLE OWNER**
27 **Contractor's License No. 506238, B**

28 Respondents.

**FIRST AMENDED
ACCUSATION**

23 **JUGR, INC., dba CERTIFIED RESTORATION**
24 **SERVICES**

25 **4368 Central Avenue**
26 **Riverside, CA. 92506**

27 **GREGORY LEE ZUCCOLOTTO, RMO**
28 **Contractor's License No. 723266, B**

Affiliated License.

1 Complainant alleges:

2 **PARTIES**

3 1. Wood Robinson ("Complainant") brings this First Amended Accusation solely in his
4 official capacity as the Enforcement Supervisor I of the Contractors' State License Board,
5 Department of Consumer Affairs.

6 **C G G J, Inc., dba Certified Fire Reconstruction**

7 2. On or about April 5, 2004, the Registrar of Contractors issued Contractor's License
8 Number 835408 ("license"), classification B (general building contractor) to C G G J, Inc., dba
9 Certified Restoration Services ("Respondent C G G J") with Gregory Lee Zuccolotto as the
10 Responsible Managing Officer, Chief Executive Officer and President and Christopher Arnold
11 Acker as Officer. On May 8, 2006, the business name changed to C G G J, Inc., dba Certified
12 Fire Reconstruction. On October 12, 2007, the license was suspended pursuant to B & P Code
13 section 7071.17 (Judgment No. RIC478865/323367). The license was reinstated on November 1,
14 2007. On December 18, 2009, Gregory Lee Zuccolotto disassociated from the license. The
15 license was in full force and effect at all times relevant to the charges brought herein and expired
16 on April 30, 2010.

17 **Certified Restoration Services**

18 3. On or about February 25, 1987, the Registrar of Contractors issued Contractor's
19 License Number 506238 ("license"), classification B (general building contractor) to Gregory Lee
20 Zuccolotto. On May 28, 1995, the license was suspended pursuant to Code of Civil Procedure
21 section 996.340 (Contractor's Bond). The license was reinstated on June 1, 1995. On August 23,
22 1995, the business name changed to Certified Restoration Services. On September 1, 1997, the
23 license was renewed inactive. On October 12, 2007, the license was suspended pursuant to B & P
24 Code section 7071.17 (Judgment No. RIC478865/323367). The license was reinstated on
25 November 1, 2007. The license was in full force and effect at all times relevant to the charges
26 brought herein and will expire on August 31, 2013, unless renewed.

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1 **JUGR, INC., dba Certified Restoration Services**

2 4. On or about May 29, 1996, the Registrar of Contractors issued Contractor's License
3 Number 723266 ("license"), classification B (general building contractor) to JUGR, Inc., with
4 Gregory Lee Zuccolotto as the Responsible Managing Officer, Chief Executive Officer and
5 President and Juliette Lanell Zuccolotto as Officer. On October 14, 1997, the business name
6 changed to JUGR, Inc., dba Certified Restoration Services. On October 12, 2007, the license was
7 suspended pursuant to B & P Code section 7071.17 (Judgment No. COS061486). The license
8 was reinstated on November 1, 2007. On December 22, 2009, Juliette Lanell Zuccolotto was
9 removed as Officer. The license was in full force and effect at all times relevant to the charges
10 brought herein and will expire on May 31, 2012, unless renewed.

11 **JURISDICTION**

12 5. Section 7090 of the Business and Professions Code ("Code") provides, in pertinent
13 part, that the Registrar may suspend or revoke any license or registration if the licensee or
14 registrant is guilty of or commits any one or more of the acts or omissions constituting cause for
15 disciplinary action.

16 6. Code section 7095 provides, in pertinent part, that the Registrar in making his order
17 may:

18 (a) Provide for the immediate complete suspension by the licensee of all operations as a
19 contractor during the period fixed by the decision.

20 (b) Permit the licensee to complete any or all contracts shown by competent evidence taken
21 at the hearing to be then uncompleted.

22 (c) Impose upon the licensee compliance with such specific conditions as may be just in
23 connection with its operations as a contractor disclosed at the hearing, and may further provide
24 that until such conditions are complied with, no application for restoration of the suspended or
25 revoked license shall be accepted by the Registrar.

26 7. Code section 7097 states:

27 Notwithstanding the provisions of Sections 7121 and 7122, when any
28 license has been suspended by a decision of the registrar pursuant to an accusation or
 pursuant to subdivision (b) of Section 7071.17, Section 7085.6 or 7090.1, any

1 additional license issued under this chapter [the Contractors' State License Law] in
2 the name of the licensee or for which the licensee furnished qualifying experience and
appearance under the provisions of Section 7068, may be suspended by the registrar
without further notice.

3 8. Code section 7098 states:

4 Notwithstanding the provisions of Sections 7121 and 7122, when any
5 license has been revoked under the provisions of this chapter [the Contractors' State
6 License Law], any additional license issued under this chapter in the name of the
licensee or for which the licensee furnished qualifying experience and appearance
7 under the provisions of Section 7068, may be revoked by the registrar without further
notice.

8 9. Code section 7106.5 provides, in pertinent part, that the cancellation, expiration or
9 suspension of a license by operation of law, or by order or decision of the Registrar, or a court of
10 law, or the voluntary surrender of the license shall not deprive the Registrar of jurisdiction to
11 proceed with disciplinary action. Under Code section 7141, a license may be renewed at any time
12 within five years after its expiration.

13 10. Code section 7076.5 provides in pertinent part, that the inactive status of a license
14 shall not bar any disciplinary action for violating provisions of the Contractors' State License
15 Law (Business & Professions Code, § 7000, et seq.).

16 11. Code section 7121 provides:

17 Any person who has been denied a license for a reason other than failure
18 to document sufficient satisfactory experience for a supplemental classification for an
19 existing license, or who has had his or her license revoked, or whose license is under
20 suspension, or who has failed to renew his or her license while it was under
21 suspension, or who has been a member, officer, director, or associate of any
22 partnership, corporation, firm, or association whose application for a license has been
23 denied for a reason other than failure to document sufficient satisfactory experience
24 for a supplemental classification for an existing license, or whose license has been
25 revoked, or whose license is under suspension, or who has failed to renew a license
while it was under suspension, and while acting as a member, officer, director, or
26 associate had knowledge of or participated in any of the prohibited acts for which the
27 license was denied, suspended, or revoked, shall be prohibited from serving as an
28 officer, director, associate, partner, or qualifying individual of a licensee, and the
employment, election, or association of this type of person by a licensee in any
capacity other than as a nonsupervising bona fide employee shall constitute grounds
for disciplinary action.

12. Code section 7121.5 states:

Any person who was the qualifying individual on a revoked license, or of
a license under suspension, or of a license that was not renewed while it was under
suspension, shall be prohibited from serving as an officer, director, associate, partner,

1 or qualifying individual of a licensee, whether or not the individual had knowledge of
2 or participated in the prohibited acts or omissions for which the license was revoked,
or suspended, and the employment, election, or association of such person by a
licensee shall constitute grounds for disciplinary action.

3 13. Code section 7122.5 states:

4 The performance of any individual, partnership, corporation, firm, or
5 association of any act or omission constituting a cause for disciplinary action,
likewise constitutes a cause for disciplinary action against any licensee other than the
6 individual qualifying on behalf of the individual or entity, if the licensee was a
member, officer, director, or associate of such individual, partnership, corporation,
7 firm, or association at the time such act or omission occurred, and had knowledge of
or participated in such prohibited act or omission.

8 STATUTORY PROVISIONS

9 14. Code section 7026.2, subdivision (a) states:

10 For purposes of this chapter, "contractor" includes any person engaged in
11 the business of the construction, installation, alteration, repair, or preparation for
moving of a mobile home or mobile home accessory buildings and structures upon a
12 site for the purpose of occupancy as a dwelling.

13 15. Code section 7108.5, subdivision (b) states:

14 Except as provided in subdivision (c), a prime contractor or subcontractor
15 shall pay to any subcontractor, not later than 10 days after receipt of each progress
payment, unless otherwise agreed to in writing, the respective amounts allowed the
16 contractor on account of the work performed by the subcontractors, to the extent of
each subcontractor's interest therein. A prime contractor or subcontractor that fails to
17 comply with this subdivision shall be subject to a penalty, payable to the
subcontractor, of 2 percent of the amount due per month for every month that
18 payment is not made as required under this subdivision.

19 16. Code section 7120 states:

20 Wilful or deliberate failure by any licensee or agent or officer thereof to
21 pay any moneys, when due for any materials or services rendered in connection with
his operation as a contractor, when he has the capacity to pay or when he has received
22 sufficient funds therefor as payment for the particular construction work, project, or
operation for which the services or materials were rendered or purchased constitutes a
23 cause for disciplinary action, as does the false denial of any such amount due or the
validity of the claim thereof with intent to secure for himself, his employer, or other
24 person, any discount upon such indebtedness or with intent to hinder, delay, or
defraud the person to whom such indebtedness is due.

25 17. Code section 7154 states:

26 A home improvement contractor who employs a person to sell home
27 improvement contracts while such person is not registered by the registrar as a home
improvement salesman as provided in this article [Article 10 (commencing with
28 section 7150) of the Contractors' State License Law], is subject to disciplinary action
by the registrar.

1 18. Code section 7159 states, in pertinent part:

2 (a)(5) Failure by the licensee, his or her agent or salesperson, or by a
3 person subject to be licensed under this chapter, to provide the specified information,
4 notices, and disclosure in the contract, or to otherwise fail to comply with any
5 provision of this section, is cause for discipline.

6 (d) A home improvement contract and any changes to the contract shall
7 be in writing and signed by the parties to the contract prior to the commencement of
8 any work covered by the contract or applicable change order and, except as provided
9 in paragraph (8) of subdivision (a) of Section 7159.5, shall include or comply with all
10 of the following:

11 (7) The heading: "Description of the Project and Description of the
12 Significant Materials to be Used and Equipment to be Installed, " followed by a
13 description of the project and a description of the significant materials to be used and
14 equipment to be installed. For swimming pools, the project description required
15 under this paragraph also shall include a plan and scale drawing showing the shape,
16 size, dimensions, and the construction and equipment specifications.

17 19. Section 7159.5 of the Code states, in pertinent part:

18 This section applies to all home improvement contracts, as defined in
19 Section 7151.2, between an owner or tenant and a contractor, whether a general
20 contractor or a specialty contractor, who is licensed or subject to be licensed pursuant
21 to this chapter with regard to the transaction.

22 (a) Failure by the licensee or a person subject to be licensed under this
23 chapter, or by his or her agent or salesperson to comply with the following provisions
24 is cause for discipline:

25 (1) The contract shall be in writing and shall include the agreed contract
26 amount in dollars and cents. The contract amount shall include the entire cost of the
27 contract, including profit, labor, and materials, but excluding finance charges.

28 20. Code section 7161, states, in pertinent part:

It is a misdemeanor for any person to engage in any of the following acts,
the commission of which shall be cause for disciplinary action against any licensee or
applicant:

(b) Making any substantial misrepresentation in the procurement of a
contract for a home improvement or other work of improvement or making any false
promise of a character likely to influence, persuade or, induce any person to enter into
a contract.

COST RECOVERY

21. Code section 125.3 provides, in pertinent part, that the Registrar may request the
administrative law judge to direct a licensee found to have committed a violation or violations of

1 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
2 enforcement of the case.

3 **BACKGROUND**

4 22. Respondent C G G J is a licensed contractor and in that capacity drafted, prepared and
5 entered into contracts with homeowners to perform fire restoration work on six (6) projects set
6 forth in paragraphs 24 through 50, below. Respondent C G G J contacted and solicited each of
7 the homeowners within approximately forty-eight (48) hours of the fire to sign preprinted
8 contracts prepared by Respondent C G G J. In each of the projects described infra, the
9 homeowners signed the contracts prepared and offered by Respondent C G G J within
10 approximately 48 hours or less of the fires. Respondent C G G J provided each homeowner with
11 a copy of the signed contract that included a provision for the homeowner's 3-day right to cancel,
12 along with the homeowner's rights under that provision. Respondent C G G J's contracts were
13 incomplete when signed. The contracts did not include any description of the scope of work,
14 materials to be used, or contract price for the cost of the work and materials at the time each
15 homeowner signed Respondent C G G J's contracts. Each contract prepared by Respondent
16 C G G J and signed by the homeowner included an assignment of a power of attorney to
17 Respondent C G G J conferring the sole right to represent the homeowners in direct settlement
18 negotiations with the homeowner's insurance company for the fire loss, required checks from the
19 insurer to be issued in the name of the homeowner and Respondent C G G J, and conferred
20 authority to Respondent C G G J to endorse and deposit checks issued by the insurance
21 companies for the benefit of the insured homeowners. Respondent C G G J's actions included
22 representing the homeowners in adjustment of and settlement of the homeowners' loss with the
23 insurance company, including personal property. Respondent C G G J was not a licensed by the
24 California Department of Insurance to act as private insurance adjusters. Negotiating resolution
25 of a fire loss for the structure and contents with an insurance company on behalf of the insured
26 homeowner and accepting and depositing checks from the homeowner's insurer is not authorized
27 by Respondent C G G J's contractor's license.

23. The preprinted form contracts prepared by Respondent C G G J included a cancellation clause that became effective immediately upon the expiration of the three (3) day cancellation period. The cancellation clause required the homeowner to pay Respondent C G G J forty percent 40% (20% of the cost of repairs + 10% overhead + 10% profit) of the total insurance settlement including payment for contents. The cancellation clause applied regardless of when cancellation as requested, the reason for cancellation, whether any estimate for repairs had been completed or any work had been performed by Respondent C G G J.

COLE PROJECT

24. Paragraphs 22 and 23 are incorporated herein as though set forth at length. On or about January 19, 2006, Respondent C G G J prepared and entered into a written fire restoration contract with Norman Cole (“Cole Project”). The contract stated, in part, Respondent C G G J would provide all labor and materials necessary to perform fire restoration work at Cole property located at 9528 Rail Road Street, Knights Landing, California. When Cole signed the contract prepared by Respondent C G G J it did not include a description of the scope work, materials to be used, or the price for the services and materials.

FIRST CAUSE FOR DISCIPLINE

(Substantial Misrepresentation)

25. Paragraphs 22 and 23 are incorporated herein as though set forth at length.

Respondent C G G J is subject to discipline pursuant to Code section 7161; in that Respondent C G G J procured the Cole home improvement contract through substantial misrepresentation.

Respondent C G G J represented verbally or in writing or both to Cole that it possessed all legally required authority to negotiate and represent Cole in connection with Cole's insurance claim for fire related damage and loss, including but not limited damage to the Cole residence and/or the contents. The true fact is that negotiation with an insurance company and representation in adjusting fire related damage to the homeowner's residence and contents is not authorized by Respondent C G G J's contractor's license. Negotiating and adjusting the loss of a homeowner requires a license from the California Department of Insurance. Respondent C G G J failed to

1 inform Cole the contractor's license did not authorize it to engage in this conduct and constitutes
2 substantial misrepresentation.

3 **SECOND CAUSE FOR DISCIPLINE**

4 **(Contract Violation)**

5 26. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
6 Respondent C G G J is subject to discipline pursuant to Code section 7159, subdivision (a)(5), in
7 that the Cole Project contract did not include a description of the of the project, description of
8 significant materials to be used and equipment to be installed. Failure to include these items
9 violates subdivision (d)(7).

10 **THIRD CAUSE FOR DISCIPLINE**

11 **(Contract Violation)**

12 27. Paragraphs 22 and 23 and incorporated herein as though set forth at length.
13 Respondent C G G J is subject to discipline pursuant to Code section 7159.5(a)(1) in that
14 Respondent C G G J prepared and thereafter entered a home improvement contract with Cole that
15 did not include the entire contract amount in dollars and cents, including profit, labor, and
16 materials.

17 **DAVIDSON PROJECT**

18 28. Paragraphs 22 and 23 and incorporated herein as though set forth at length. On or
19 about May 23, 2006, Respondent C G G J prepared and entered into a written home improvement
20 contract with Candy Davison ("Davidson Project"). The contract stated, in part, Respondent
21 C G G J would provide all labor and materials necessary to perform fire restoration work at her
22 residence located at 9150 Trujillo Way, Sacramento, California. The contract failed to include a
23 description of the work to be done, significant materials to be used, or contract price for profit,
24 labor and materials.

25 **FOURTH CAUSE FOR DISCIPLINE**

26 **(Substantial Misrepresentation)**

27 29. Paragraph 22 and 23 are incorporated herein as though set forth at length.
28 Respondent C G G J is subject to discipline pursuant to Code section 7161(b)(5), in that

1 Respondent procured the Davidson home improvement contract through substantial
2 misrepresentation. Respondent C G G J represented verbally or in writing or both that it
3 possessed the legal authority required to negotiate for and represent Davidson in connection with
4 Davidson's insurance claim for all fire related damage to Davidson's residence and/or the
5 contents. The true fact is negotiating with an insurance company and representing a homeowner
6 in adjusting a loss caused by fire is not authorized by Respondent C G G J's contractor's license.
7 Negotiation and adjusting the loss of a homeowner requires licensing by the Department of
8 Insurance. Respondent C G G J's conduct constitutes misrepresentation within the meaning of
9 section 7161(b)(5).

10 **FIFTH CAUSE FOR DISCIPLINE**

11 **(Contract Violation)**

12 30. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
13 Respondent C G G J is subject to discipline pursuant to Code section 7159, subdivision (a)(5), in
14 that the Davidson Project contract did not include a description of the scope of the project, a
15 description of the significant materials to be used and equipment to be installed. Respondent C
16 G G J's contract violates subdivision (d)(7) of the Code.

17 **SIXTH CAUSE FOR DISCIPLINE**

18 **(Contract Violation)**

19 31. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
20 Respondent C G G J is subject to discipline pursuant to Code section 7159.5, in that Respondent
21 C G G J violated subdivision (a)(1) of the Code by preparing and thereafter entering a home
22 improvement contract with Davidson that did not include the entire contract amount in dollars
23 and cents, including profit, labor, and materials.

24 **CRITTENDEN PROJECT**

25 32. Paragraphs 22 and 23 and incorporated herein as though set forth at length. On or
26 about September 29, 2006, Respondent C G G J prepared and entered into a written home
27 improvement contract with James Crittenden ("Crittenden Project"). Respondent C G G J's
28 contract stated, in part, Respondent would provide all labor and materials necessary for fire

1 restoration of Crittenden's residence located at 6103 34th Street, North Highlands, California.
2 The Crittenden contract did not include a description of the scope of work for the project,
3 materials to be used, or a contract price.

4 **SEVENTH CAUSE FOR DISCIPLINE**

5 **(Substantial Misrepresentation)**

6 33. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
7 Respondent C G G J is subject to discipline pursuant to Code section 7161, in that Respondent
8 C G G J procured the Crittenden home improvement contract through substantial
9 misrepresentation. Respondent represented verbally or in writing or both that it possessed the
10 legal authority required to represent and otherwise negotiate with the insurance company on
11 behalf of Crittenden for the fire related damage and loss to his residence including the contents.
12 The true fact is negotiating with an insurance company and representing a homeowner in
13 adjusting a loss caused by fire is not authorized by Respondent C G G J's contractor's license.
14 Negotiation and adjusting the loss of a homeowner requires licensing by the Department of
15 Insurance. Respondent C G G J's conduct constitutes misrepresentation within the meaning of
16 section 7161(b)(5).

17 **EIGHTH CAUSE FOR DISCIPLINE**

18 **(Contract Violation)**

19 34. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
20 Respondent C G G J is subject to discipline pursuant to Code section 7159, subdivision (a)(5), in
21 that the Crittenden Project contract prepared by Respondent C G G J did not include a description
22 of the scope of the project, a description of the significant materials to be used and equipment to
23 be installed. The Crittenden contract violates subdivision (d)(7) of the Code.

24 **NINTH CAUSE FOR DISCIPLINE**

25 **(Contract Violation)**

26 35. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
27 Respondent C G G J is subject to discipline pursuant to Code section 7159.5, subdivision (a)(1)
28

1 by preparing and thereafter entering a home improvement contract with Crittenden that did not
2 include the entire contract amount in dollars and cents, including profit, labor, and materials.

3 **NGUYEN PROJECT**

4 36. Paragraphs 22 and 23 are incorporated herein as though set forth at length. On or
5 about July 2, 2007, Respondent C G G J prepared and entered into a written home improvement
6 contract with Tam Nguyen ("Nguyen Project"). The contract stated, in part, Respondent C G G J
7 would provide all labor and materials necessary for fire restoration at the Nguyen residence
8 located at 5861 Valley Glen Way, Elk Grove, California. The Nguyen contract did not include a
9 description of the work to be done, materials to be used, or a contract price.

10 **TENTH CAUSE FOR DISCIPLINE**

11 **(Substantial Misrepresentation)**

12 37. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
13 Respondent C G G J is subject to discipline pursuant to Code section 7161, in that Respondent
14 C G G J procured the Nguyen home improvement contract through substantial misrepresentation.
15 Respondent C G G J represented verbally or in writing or both that it possessed all necessary legal
16 authority required to represent and otherwise negotiate with the insurance company on behalf of
17 Nguyen for the fire related damage and loss to Nguyen's residence including contents. The true
18 fact is negotiating with an insurance company and representing a homeowner in adjusting a loss
19 to a residence and contents caused by fire is not authorized by Respondent C G G J's contractor's
20 license. Negotiation and adjusting the loss of a homeowner requires licensing by the Department
21 of Insurance. Respondent's conduct constitutes misrepresentation within the meaning of section
22 7161(b)(5).

23 **ELEVENTH CAUSE FOR DISCIPLINE**

24 **(Unregistered Salesperson)**

25 38. Respondent C G G J is subject to discipline pursuant to Code section 7154 by
26 employing and permitting Jorge Pina, an unregistered home improvement salesperson, to solicit
27 Nguyen for residential fire restoration services and to prepare a contract and obtain Nguyen
28 signature on Respondent C G G J's contract.

1 **TWELFTH CAUSE FOR DISCIPLINE**

2 **(Contract Violation)**

3 39. Respondent C G G J is subject to discipline pursuant to Code section 7159,
4 subdivision (a)(5) in that the Nguyen Project contract prepared by Respondent C G G J did not
5 include a description of the scope of the project, a description of the significant materials to be
6 used and equipment to be installed. The Nguyen contract violates subdivision (d)(7) of the Code

7 **THIRTEENTH CAUSE FOR DISCIPLINE**

8 **(Contract Violation)**

9 40. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
10 Respondent C G G J is subject to discipline pursuant to Code section 7159.5, subdivision (a)(1)
11 by preparing and thereafter entering a home improvement contract with Nguyen that did not
12 include the entire contract amount in dollars and cents, including profit, labor, and materials.

13 **CARDIN/LOPEZ PROJECT**

14 41. Paragraphs 22 and 23 are incorporated herein as though set forth at length. On or
15 about May 25, 2008, Respondent C G G J prepared and entered into a written home improvement
16 contract with Betty Cardin/Lopez ("Cardin/Lopez Project"). Respondent C G G J's contract
17 stated it would provide all labor and materials necessary for fire restoration of Cardin/Lopez
18 residence located at 4505 Country Run Way, Antelope, California. The Cardin/Lopez contract
19 failed to include a description of the scope of work for the project, materials to be used, or a
20 contract price.

21 **FOURTEENTH CAUSE FOR DISCIPLINE**

22 **(Substantial Misrepresentation)**

23 42. Respondent C G G J is subject to discipline pursuant to Code section 7161, in that
24 Respondent procured the Cardin/Lopez home improvement contract through substantial
25 misrepresentation. Respondent C G G J represented verbally or in writing or both that it
26 possessed all necessary legal authority required to represent and otherwise negotiate with the
27 insurance company on behalf of Cardin/Lopez for the fire related damage and loss to the
28 Cardin/Lopez residence including contents. The true fact is negotiating with an insurance

1 company and representing a homeowner in adjusting a loss caused by fire is not authorized by
2 Respondent C G G J's contractor's license. Negotiation and adjusting the loss of a homeowner
3 requires licensing by the Department of Insurance. Respondent C G G J's conduct constitutes
4 misrepresentation within the meaning of section 7161(b)(5).

5 **FIFTEENTH CAUSE FOR DISCIPLINE**

6 **(Unregistered Salesperson)**

7 43. Respondent C G G J is subject to discipline pursuant to Code section 7154, by
8 employing and permitting Jorge Pina, an unregistered home improvement salesperson, to solicit
9 Cardin/Lopez to purchase residential fire restoration services and to prepare a contract and obtain
10 Nguyen signature on Respondent C G G J's contract.

11 **SIXTEENTH CAUSE FOR DISCIPLINE**

12 **(Contract Violation)**

13 44. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
14 Respondent C G G J is subject to discipline pursuant to Code section 7159, subdivision (a)(5), in
15 that the Cardin/Lopez Project contract prepared by Respondent C G G J did not include a
16 description of the scope of the project, a description of the significant materials to be used and
17 equipment to be installed. The Cardin/Lopez contract violates subdivision (d)(7) of the Code.

18 **SEVENTEENTH CAUSE FOR DISCIPLINE**

19 **(Contract Violation)**

20 45. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
21 Respondent C G G J is subject to discipline pursuant to Code section 7159.5, in that Respondent
22 C G G J violated subdivision (a)(1) of the Code by preparing and thereafter entering a home
23 improvement contract with Cardin/Lopez that did not include the entire contract amount in dollars
24 and cents, including profit, labor, and materials.

25 **SANDOVAL PROJECT**

26 46. Paragraphs 22 and 23 are incorporated herein as though set forth at length. On or
27 about February May 25, 2008, prepared and entered into a written home improvement contract
28 with Maria Sandoval ("Sandoval Project"). Respondent C G G J's contract stated, in part, it

1 would provide all labor and materials necessary for fire restoration of the Sandoval residence
2 located at 749 Ashboro Lane, Galt, California. The Sandoval contract failed to include a
3 description of the scope of work for the project, materials to be used, or a contract price.

4 **EIGHTEENTH CAUSE FOR DISCIPLINE**

5 **(Substantial Misrepresentation)**

6 47. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
7 Respondent C G G J is subject to discipline pursuant to Code section 7161, in that Respondent
8 C G G J procured the Sandoval home improvement contract through substantial
9 misrepresentation. Respondent C G G J represented verbally or in writing or both that it
10 possessed all necessary legal authority required to represent and otherwise negotiate with the
11 insurance company on behalf of Sandoval for the fire related damage and loss to the Sandoval
12 residence including contents. The true fact is negotiating with an insurance company and
13 representing a homeowner in adjusting a loss caused by fire is not authorized by Respondent
14 C G G J's contractor's license. Negotiation and adjusting the loss of a homeowner requires
15 licensing by the Department of Insurance. Respondent C G G J's conduct constitutes
16 misrepresentation within the meaning of section 7161(b)(5).

17 **NINETEENTH CAUSE FOR DISCIPLINE**

18 **(Unregistered Salesperson)**

19 48. Paragraphs 22 and 23 are incorporated herein as though set forth at length.
20 Respondent C G G J is subject to discipline pursuant to Code section 7154, by employing and
21 permitting Jorge Pina, an unregistered home improvement salesperson, to solicit Sandoval to
22 purchase residential fire restoration services and to prepare a contract and obtain Sandoval's
23 signature on Respondent C G G J's contract.

24 **TWENTIETH CAUSE FOR DISCIPLINE**

25 **(Contract Violation)**

26 49. Respondent C G G J is subject to discipline pursuant to Code section 7159,
27 subdivision (a)(5), in that the Sandoval Project contract prepared by Respondent C G G J did not
28 include a description of the scope of the project, a description of the significant materials to be

1 used and equipment to be installed. The Sandoval contract violates subdivision (d)(7) of the
2 Code.

3 **TWENTY-FIRST CAUSE FOR DISCIPLINE**

4 **(Contract Violation)**

5 50. Respondent C G G J is subject to discipline pursuant to Code section 7159.5,
6 subdivision (a)(1) by preparing and thereafter entering a home improvement contract with
7 Sandoval that did not include the entire contract amount in dollars and cents, including profit,
8 labor, and materials.

9 **FLOOR STORE**

10 51. On or about September 11, 2009 (Chaney Project), October 1, 2009 (Bandaccari
11 Project), October 20, 2009 (Garcia Project), November 10, 2009 (Alvarez Project), and
12 November 16, 2009 (Pineda Project), Respondent C G G J entered into verbal subcontract
13 agreements with Floor Store. Pursuant to those agreements, Floor Store agreed to supply and
14 install carpet, pad, and vinyl flooring at various projects being restored by Respondent C G G J.
15 These projects were completed between September 11, 2009, and November 16, 2009. Still due
16 and owing to Floor Store is the sum of \$12,057.40, for work performed and materials supplied to
17 these five projects. Respondent C G G J has not paid any portion of the sum due to date.

18 **TWENTY-SECOND CAUSE FOR DISCIPLINE**

19 **(Failure to Pay Subcontractor)**

20 52. Respondent C G G J is subject to discipline pursuant to Code section 7108.5, in that
21 Respondent C G G J failed to pay Floor Store the sum of \$12,057.40 within 10 days even though
22 Respondent C G G J had received sufficient funds to do so.

23 **TWENTY-THIRD CAUSE FOR DISCIPLINE**

24 **(Failure to Pay for Materials)**

25 53. Respondent C G G J is subject to discipline pursuant to Code section 7120, in that
26 Respondent C G G J failed to pay Floor Store the sum of \$12,057.40 for labor and materials it
27 provided the five projects, as more particularly set forth in paragraph 51, above.

OTHER MATTERS

54. Pursuant to Business and Professions Code sections 7097 and 7098, if Contractor's License Number 835408, issued to C G G J, Inc., doing business as Certified Fire Reconstruction, is suspended or revoked by a decision of the Registrar, any additional license issued under the name of Gregory Lee Zuccolotto (who served as the Responsible Managing Officer of Respondent C G G J), or for which he furnished the qualifying experience and appearance, including but not limited to Contractor's License Number 506238, issued to Gregory Lee Zuccolotto as owner of Certified Restoration Services, and Contractor's License Number 723266 issued to JUGR, Inc., dba Certified Restoration Services may be suspended or revoked by the Registrar without further notice.

55. Pursuant to Code section 7121.5, if discipline is imposed on Contractor's License Number 835408, issued to Respondent C G G J, then Gregory Lee Zuccolotto shall be prohibited from serving as an officer, director, associate, partner or qualifying individual of any licensee during the time the discipline is imposed, whether or not he had knowledge or participated in the acts or omissions constituting grounds for discipline, and any licensee which employs, elects, or associates him shall be subject to disciplinary action.

56. Pursuant to Code section 7122.5, the causes for discipline established as to Contractor's License No. 835408 likewise constitutes cause for discipline against Contractor's License No. 506238, issued to Gregory Lee Zuccolotto as owner of Certified Restoration Services, regardless of whether he had knowledge of or participated in the acts or omissions which constitute cause for discipline against Respondent C G G J.

57. Christopher Arnold Acker while serving as an officer of Respondent C G G J had knowledge of or participated in the acts or omissions constituting cause for discipline of Respondent C G G J.

58. Pursuant to Code section 7121, if discipline is imposed on Contractor's License Number 835408, issued to Respondent C G G J, then Christopher Arnold Acker, shall be prohibited from serving as an officer, director, associate, partner, or qualifying individual of any licensee during the time the discipline is imposed, and any licensee which employs, elects, or

1 associates him in any capacity other than as a non-supervising bona fide employee shall be
2 subject to disciplinary action.

3 **PRAYER**

4 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
5 and that following the hearing, the Registrar of Contractors issue a decision:

- 6 1. Revoking or suspending Contractor's License Number 835408, issued to C G G J,
7 Inc., dba Certified Fire Reconstruction;
- 8 2. Revoking or suspending Contractor's License Number 506238, issued to Gregory Lee
9 Zuccolotto as owner of Certified Restoration Services;
- 10 3. Prohibiting Gregory Lee Zuccolotto and Christopher Arnold Acker from serving as
11 officers, directors, associates, partners, or qualifying individuals of any licensee during the period
12 that discipline is imposed on Contractor's License Number 835408, issued to C G G J, Inc., dba
13 Certified Fire Reconstruction;
- 14 4. Revoking or suspending any other license for which Gregory Lee Zuccolotto or
15 Christopher Arnold Acker is furnishing the qualifying experience or appearance;
- 16 5. Ordering C G G J, Inc., dba Certified Fire Reconstruction to pay the Registrar of
17 Contractors his costs in the investigation and enforcement of the case according to proof at the
18 hearing, pursuant to Business and Professions Code section 125.3;
- 19 6. Ordering C G G J, Inc., dba Certified Fire Reconstruction to provide the Registrar
20 with a listing of all contracting projects in progress and the anticipated completion date of each;
21 and,
- 22 7. Taking such other and further action as deemed necessary and proper.

23 DATED: OCTOBER 5, 2011
24 *for*


WOOD ROBINSON
Enforcement Supervisor I
Contractors' State License Board
Department of Consumer Affairs
State of California
Complainant

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